

## OPEN STRATEGIC AUTONOMY IN THE ECONOMIC AND FINANCIAL AREAS



### MARKUS FERBER

MEP, Committee on Economic and Monetary Affairs - European Parliament

### We need bigger capital markets to match our ambition

Relative to the size of its economy, EU capital markets are small, in particular when compared to other developed economies, most notably the United States. As a consequence, equity financing for European companies is a lot more difficult than it is in other jurisdictions. Unsurprisingly, the European corporate financing model is clearly lopsided towards bank financing. This poses a particular challenge for younger and smaller companies that still need a considerable runway before becoming profitable. That becomes even more of an issue as bank financing (measured as a percentage of GDP) still remains below the levels it had reached before the Great Financial Crisis.

With scarce financing possibilities in Europe, innovative European companies often gravitate towards finding

financing in jurisdictions outside the EU. That is a concerning trend. We should be worried if the EU cannot provide financing for its companies. On the one hand, that means that non-EU actors are strengthened at the expense of European financial services players. Viewed from a “strategic autonomy” standpoint, arguably that outcome needs to be avoided.

At the same time, European companies seeking financing elsewhere, be it venture capital or an initial public offering, goes also to the detriment of European investors. Most retail investors still have a noticeable home bias in their portfolio composition and only or mostly invest in the markets they think to know best. If the most innovative and most value creating companies list elsewhere, European retail investors miss out. Missing out on excess returns, however, becomes a particular problem in light of strained public pension systems and an increased need for individuals to take care of their old-age provisioning.

Therefore, we need to think hard about how to change this unsatisfactory status quo and make sure that growing European companies stay in Europe, both for their operations and for their financing. The European Commission’s Capital Markets Union initiative has aptly identified the problems at hand. Yet, the action plan is almost ten years old by now and not enough has happened. One could even argue that with Brexit, European capital markets haven’t taken another hit as the City of London has moved from being an integrated part of European financial markets towards being a competitor - and one that is a lot closer to home than the United States. That raises the stakes even more.

When focussing on public markets, getting listing rules right, is key. The current listing provisions combined with strict and sometimes even unreasonable provisions to prevent market abuse, have made going public in Europe a costly and complex endeavour, that is not very attractive for many companies. Another aspect that bothers many owner- or family-led companies is the fear of relinquishing control of the business when going public. A clever way to circumvent this problem is to issue multiple-vote shares that combine the financial upside of a public listing with the element of maintaining control that would only be possible if the company

stayed private. That is essentially the financing model chosen by many highly innovative silicon valley companies.

Both aspects, cutting down on red tape and making listing more flexible, are addressed in the Listing Act proposal that has the potential to simplify the listing process within the European Union thus giving a boost to European capital markets. This file therefore has to be a priority to complete before the end of the European Parliament’s current mandate.

**If we want to boost the Capital Markets Union, we need to look at both sides of the equation.**

If we want to boost the Capital Markets Union, we need to look at both sides of the equation, though. Another weak point of the European ecosystem is clearly investor engagement - and retail investor engagement in particular. Over the years, we have built a very sophisticated, but also very complicated investor protection framework for financial services in the EU. Too often, this very sophisticated investor protection framework does not do what it is supposed to, but rather poses an obstacle for retail investors to get engaged in EU capital markets by creating unnecessary complexity. This, in turn, limits the available liquidity for businesses to tap into.

Unfortunately, the European Commission’s Retail Investment Strategy does not address the existing shortcomings in an adequate manner. Instead of reducing excessive paperwork and limiting administrative burdens for retail investors and intermediaries, the Commission proposal adds a new layer of complexity that is unlikely to incentivise retail investors to get involved in European capital markets in the first place. That is why the Commission proposal needs a comprehensive redraft in the legislative process.

After all, the last thing we need is making access to EU financial markets even more difficult.



## GINTARĖ SKAISTĖ

Minister of Finance of the  
Republic of Lithuania

### The three pillars of OSA - Competitiveness, resilience, and security

Open Strategic Autonomy (OSA) embodies the EU's pursuit of self-reliance in key strategic areas, within the broader multilateral economic and financial system. The concept has evolved in response to large-scale shocks – from the pandemic to Russia's war in Ukraine – and a changing geopolitical environment that exposed the EU's structural weaknesses. Over time, OSA has become a broad-based horizontal issue covering many policy dimensions, including defence, technology, economy, and finance. Thus, achieving strategic autonomy requires a multi-pronged approach, which, in my view, should be based on three core pillars – competitiveness, resilience, and security.

#### Competitiveness

Without a doubt, the biggest economic strength of the EU is the Single Market. It brings substantial benefits for Member States and makes the EU one of the major economic blocks globally. Yet there is still vast untapped potential to deepen the Single Market. While goods in the EU move across borders relatively freely, the services market, including the

digital space, still faces various obstacles that need to be addressed.

Particular importance must be attributed to the creation of a genuine Capital Market Union. Currently, European capital markets remain largely fragmented along national borders, requiring strong and persistent EU-level efforts to advance the CMU. Future progress must deliver a tangible impact on the real economy by providing more accessible financing options for businesses, ranging from start-ups to large corporations, and it should offer households a broader set of instruments to employ their savings for productive use. Overall, the CMU plays a central role in financing the digital and green transitions, improving competitiveness, and the resilience of EU economies.

The EU also needs to invest more in physical and human capital, as well as R&D to foster innovation and technology. Such measures are crucial for ensuring future economic growth and competitiveness. Certain industrial policies, e.g., related to the green transition, are indeed needed. Yet they should focus exclusively on key strategic sectors, ensuring minimal distortion of the Single Market. Additionally, the EU should strive for fair and balanced economic and trade relations with third countries. If necessary, the EU should not hesitate to utilize the available toolkit, from the Anti-Coercion Instrument to Foreign Subsidies Regulation, to enforce the level playing field.

#### Resilience

The pandemic revealed EU vulnerabilities due to overreliance on global supply chains and complex production networks for critical goods like semiconductors. Rising geopolitical tensions also exposed potentially harmful dependencies, particularly for critical raw materials. In this regard, it is key to seek diversification and increase resilience of our supply chains. Of course, a balanced approach is necessary to limit the side-effects of global economic and trade fragmentation.

Russia's war against Ukraine underscored the importance of energy independence and added a geopolitical aspect to the urgency of the green transition. The exposed fragilities in the EU's energy security forced to accelerate investments in renewables and domestic energy production capacity to diversify energy sources, mitigate external risks and boost overall resilience. The war was a painful lesson about the risks associated with economic dependence on autocratic countries that the EU must avoid in the future.

Additionally, a notable concern is the EU's dependence in the financial sector, particularly the overreliance on third-country payments and clearing services, which may create vulnerabilities in the core architecture of the European financial system. The digital euro project is an important step towards greater resilience in this area, which could also contribute to fostering the international role of the euro.

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#### Security

Russia's war against Ukraine has profoundly altered the security situation in the region. It prompted a rethink of defence strategies, necessitating a long-term substantial increase in defence spending. The war has underscored the importance of military capabilities to ensure peace and stability, which are essential public goods and the foundation of economic prosperity. In this regard, it is welcome that the new fiscal rules will treat the strengthening of defence as a common EU priority.

Overall, achieving strategic autonomy requires significant reform efforts internally to unlock the full potential of the EU Single Market, in terms of truly free movement of goods, services, and capital. Externally, the primary goal is to improve resilience through diversification and capacity building, particularly in critical areas, such as energy and raw materials, as well as defence.

Finally, while striving for greater resilience, the EU must stay open within its strategic autonomy objectives and should foster cooperation, especially among like-minded democratic countries, to counterbalance the rise of autocratic powers.



## HARALD WAIGLEIN

Director General for Economic Policy, Financial Markets and Customs Duties - Federal Ministry of Finance, Austria

### The Capital Market Union – Europe must keep pace

The EU's competitiveness and its role as a financial and business hub will largely depend on our ability to channel funds to the capital market. The green and digital transformation of our economy cannot rely solely on government expenditure but will require a substantial amount of private capital. Not only the market conditions in times of multiple crises, but also the EU's objective of defragmentation of its capital markets, of independence and strategic autonomy require further steps.

Since its launch in 2015, the Capital Market Union (CMU) has made significant progress while also facing various challenges along the way. The CMU's main goal was to create a single, well-functioning, and efficient capital market across all Member States. The reasoning behind the ambitious initiative was aimed at further integrating the EU's capital markets and addressing the fact that corporate finance heavily relies on debt, especially bank loans.

Therefore, the CMU's primary objective is to unlock new sources of funding for businesses, particularly for small and medium-sized enterprises (SMEs). By

eliminating the existing fragmentation and barriers within the EU's capital market, the initiative aims to provide easier access to finance, promote cross-border investments, and bolster economic growth and job creation.

Ensuring a level playing field for all market participants is another key aspect of the CMU. Currently, certain Member States have more developed capital markets and enjoy better access to financing compared to others. This imbalance poses a hindrance to SMEs' growth and competitiveness, limiting their ability to innovate and expand. The CMU seeks to remedy this. It promotes equal opportunities for all EU businesses.

The significance of the concept of "strategic autonomy" is not only closely linked to the CMU's objectives, but also a direct consequence of the economic, geopolitical and market conditions in recent years. "Strategic autonomy" in this regard refers to the idea that the EU needs to develop its own financial resources and capabilities in order to reduce its dependence on external actors and to mitigate potential risks to its financial stability. In practical terms, this means strengthening the EU's financial sector, enhancing its competitiveness, and reducing reliance on non-European financial centres.

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**To remain a serious competitor on the global stage, the EU needs to accelerate its efforts.**

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A crucial aspect of open strategic autonomy is the need to develop and support European champions. The EU should aim to create an environment that is conducive to the growth of large corporations capable of competing on a global stage. This includes facilitating access to capital markets, encouraging innovation, and promoting entrepreneurship. By establishing a robust CMU, the EU can strengthen its financial ecosystem, enabling its businesses to flourish and achieve financial resilience.

While the CMU has made significant progress, challenges remain in its implementation. One major stumbling block is the need to harmonise regulations and remove legal and administrative barriers. The diversity of financial systems across Member States poses challenges in creating a common regulatory framework. However, efforts

are underway to simplify and streamline rules and to enhance cross-border cooperation while maintaining high standards of investor protection.

Another challenge lies in building investor confidence and trust in the CMU. Investors need to feel secure and have confidence in the transparency and accountability of the capital market. From my point of view, transparency, satisfactory returns and value for money are more likely to boost retail investors' trust in the capital market than more interventionist measures such as a ban on inducements.

Progress has been made in terms of the availability of comparable data for investors during this Commission's mandate. The European Single Access Point will facilitate access to financial and sustainability-related information on EU companies and investment products. The consolidated tape will significantly increase the visibility of listed companies. In this respect and also from a strategic autonomy perspective, I welcome the initiative of the European stock exchanges to participate in the legal tender for the provider of the consolidated tape.

Both the development of the Capital Market Union and the objective of strategic autonomy are closely linked to and essential for the EU's economic growth and stability. Many efforts of the co-legislators to further develop the CMU have been successful. At the same time, many of the steps taken during this Commission's mandate cannot be assessed yet. Their impact will become clear only at a later stage. To remain a serious competitor on the global stage, the EU needs to accelerate its efforts to strengthen its Capital Market.





## PHILIPPE BORDENAVE

Senior Executive Advisor -  
BNP Paribas

### Mobilizing European savings: time to shift priorities

As we all know, meeting Europe's strategic priorities will require financing very significant investments: in June 2023 the European Commission estimated that the EU Green Deal and RepowerEU will require additional investments of €620 billion/year until 2030. It is important to note that this figure comes on top of the steady investment flows necessary to keep European economic players competitive and strategically autonomous. Moreover, this excess funding is needed in a complex and adverse context for the European economy: geopolitical tensions, inflation, low economic growth, and public sector deficits.

European savings are large enough though. Europe has an important capacity of household savings. In fact, the level of households gross savings rate in the EU runs at 14% of their disposable income and the excess over current investments amounts to around 500 bn€/year, not too far from the 620 bn€ needed.

However, a significant part of these savings is invested outside of Europe, or in liquid, short term assets. So the question is, how to direct a bigger part of these savings towards the huge long term funding needs of the European economy?

Currently, the European economy is reliant on bank financing (75% of total financing in the EU vs only 25% in the US) Could banks lend more? It is also key to continue the efforts to develop capital markets, where institutional investors can find opportunities to directly finance investments by using financial products meeting their demands. Could banks be more active in originating and distributing such products, with all the ingredients ensuring the required liquidity of the markets: warehousing, market making, derivatives, securities lending and borrowing? Like the big US banks do in the US?

The answer is yes: the European banks are able to and would be delighted to take part in this economic activity. But they face a number of capital and supervisory constraints hampering them.

Hence we are back to a controversial issue: what is the optimal level of bank capital?

Everything else being equal, growing capital requirements are increasing the level of financial security, but reducing banks' ability to lend and to deal in capital markets. Up to a certain point, there is more to gain by reducing the frequency of banks crises than to lose by hampering the day-to-day economic growth. But like in any economic mechanism, once low hanging fruits have been harvested, the marginal return of additional progress is declining: there is an optimal level beyond which the toll paid every year in the form of lower funding -hence lower economic growth- becomes higher than the additional benefit for financial stability.

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#### Does EU want to let banks use EU savings to finance the huge needs of the transitioning EU economy?

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In 2008, managing these two conflicting purposes was a no brainer, and CET1 requirements were sharply increased on both sides of the Atlantic from around 7% in average to around 12% in 2014. At the time, a BIS study concluded that the theoretical optimum was indeed in the region of 10%. Since then, be it by design or by coincidence, the average CET1 of US banks has stabilized and even slightly declined to close to 11%. In Europe, to the contrary, the average CET1 of banks has increased from 12% to 17% since 2014.

This is due to the ever-growing pressure put by the Single Supervisory

Mechanism. Bank supervisors in Europe keep tightening the screw in many ways: the "finalization of Basel 3" without adjusting down pillar 2 (reminder: pillar 2 is a pure European addition to Basel); climate stress tests with a view of finding a new opportunity for additional capital requirements, the return of countercyclical buffers, and more.

Since 2014, the US economic growth has significantly outpaced the EU by 15 full points...

As demonstrated in the EBA 2023 stress test exercise, European banks are resilient. This has been said and reiterated on numerous occasions by all EU regulators and supervisors, following the bank failures in US and Switzerland in spring 2023. EU banks are well above the safe and optimal capital levels.

Therefore, the question the E.U. needs to ask itself is as follows: does it still want to force EU banks to keep increasing their capital, in order to further maximise financial stability, above and beyond the existing satisfactory level? This will come at the expense of their ability to lend and to develop capital markets in Europe, i.e., ultimately at the expense of EU growth prospects and its green transformation.

Or does it instead want to let banks use EU savings to finance the huge needs of the transitioning EU economy, which they are perfectly willing and capable to do? In this case, governments and the Commission should express a clear political signal to EU banking supervisors as, up to now, the latter only have the mandate to keep increasing banks capital requirements progressively, without any limit nor any consideration for the general economic situation.



**LIEVE  
MOSTREY**

Chief Executive Officer -  
Euroclear S.A.

**Supporting  
financial stability,  
integration and  
competitiveness –  
A necessary balance  
in the current  
environment**

The world economy is recovering from a historic period of turbulence. Financial markets remain exposed to geopolitical pressures and an uncertain political landscape with countries making up over 50% of global GDP undergoing elections in 2024.

The fragile macro-economic context is set to remain for some time as the ECB and other central banks seek a normalisation of inflation levels.

Meanwhile, the year 2023 was confirmed as the warmest on record. The global challenge of mobilising financing in support of the green transition remains as pressing as ever and must be pursued alongside other priorities requiring capital resources.

The combined challenges have further underscored the importance of a strong and resilient financial system that is able to support the European economy across a range of conditions.

The promotion of open strategic autonomy is likely to acquire a renewed emphasis in the current environment.

The concept should be considered in the context of complex global trade flows and highly dynamic and interconnected global markets, shaped by competition, collaboration, security considerations and resource dependencies.

How should this translate into future policymaking in the financial sector? I believe that efforts should focus on fostering three sets of priorities.

Firstly, the continued expansion and integration of the EU's capital markets capacity – anchored around the Capital Markets Union (CMU) project – should remain a cornerstone of the single market's evolution and our economic strategy.

A key challenge for Europe is the need to improve the capacity to channel retail savings towards capital markets instruments and long-term investment products. This remains a fundamental priority of the CMU project as the availability of deep pools of investable capital drives the development of an attractive and liquid market ecosystem. Member States such as Sweden have demonstrated that it is possible to encourage high rates of household participation through tax incentives and a supportive regulatory environment. This has driven the development of a vibrant ecosystem benefiting not only households but also companies seeking finance. Achieving similar results on an EU-wide scale – through a combination of local and European-wide measures – would be a true game changer for the CMU and the global standing of EU financial markets.

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**Attracting international  
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strategic autonomy.**

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Secondly, the attractiveness of European capital markets and the global competitiveness of businesses should be increasingly prioritised in the policy agenda. Being able to attract international companies and support those headquartered in the EU in critical sectors is also an important component of promoting strategic autonomy and economic security.

Companies across Europe need to be able to leverage the scale of the

single market and the benefits of well-regulated, open markets to compete on the global stage. This requires effective regulation that takes due consideration of the competitiveness challenge and the need to adapt to rapidly changing market conditions.

The third priority is the continued support of financial stability and systemic resilience, which must always remain at the forefront of all policy considerations.

The geopolitical developments of the last two years have posed numerous challenges to market participants, including financial market infrastructures intermediating activity across global markets. The management of heightened risks and market stresses, as well as the implementation of unprecedented sanctions policies, continue to be resource-intensive processes, resulting in major operational complexities that have been managed successfully.

Financial market infrastructures and the CSD sector have continued to demonstrate their resilience and value to the financial system during this testing period. Going forward, it is important that the measures undertaken by governments and regulators continue to be underpinned by robust legal frameworks and the appropriate consideration of risks, ensuring that the latter can be adequately covered in all scenarios.

I am confident that our financial ecosystem remains robust and well-equipped to navigate the current global landscape and the challenges ahead. As we reflect on the future European policy agenda, it is clear that the financial sector's continued resilience, capacity to support investors and issuers and compete on the global stage will be crucial for Europe's long-term prosperity and strategic autonomy objectives.



## VITTORIO GRILLI

Chairman of Italy & CIB  
EMEA - J.P. Morgan

### Balancing EU interests while keeping open and international financial markets

In 2024, over 2 billion people will be heading to the polling stations – including key regional and national elections such as the US, the UK or India; and in the EU, the European Parliament elections will kick start a new key political cycle. In such environment, political changes are inevitable, which together with a gradual increase of trade tensions, could encourage calls within the EU for more economic security / sovereignty.

We understand EU's ambitions of de-risking key strategic sectors and ensuring resilience in sensitive industries. However, there should be a differentiation between an open strategic autonomy that allows the EU to act in the international arena with a unified and harmonized voice, and an agenda that prevents the EU from strengthening alliances with trusted partners. Whilst the first maintains the EU as an important geopolitical player, the second has the potential of weakening everything the EU has worked to achieve.

That is why we support the EU's ambition to build financial markets

capabilities and achieve further market integration, and agree that EU's financial resilience is best achieved through the Capital Markets Union (CMU) and Banking Union projects. Deepening CMU through new regulatory proposals and continuing the work to finalizing the Banking Union should therefore be considered a top priority for the next political cycle.

We would however be concerned if other policy ideas under the “open strategic autonomy” umbrella showed risk of potentially weakening – or rather not strengthening – Europe's open and international financial markets. The participation of global firms in the EU system brings added competition and market depth, to the benefit of EU clients, and specifically the involvement of US financial institutions in EU capital markets supports the EU's aspirations of ensuring a more diversified source of funding for the EU economy.

As we look forward to the next Commission, a fundamental securitisation reform should be a key part of these efforts to reduce pressure on banks and open up lending to help support the economy.

Re-launching and scaling up securitisation is an essential component of the CMU, a bridge between the Banking Union and the CMU and can bring considerable benefits to the European financial system, including by reducing over-reliance on bank funding while encouraging cross border investments. When developed in such a way as to be responsible, prudentially sound and transparent, securitisation seemed to us to be an important vehicle to increase the capacity of banks to lend and also for investors to have access to European credit products.

**Financial markets increase their resilience and quality through the strength of their network.**

If I can give a more specific example, we believe there should be a clearer role for Competent Authorities in Significant Risk Transfer assessments. For the sake of a global level playing field, the EU prudential rulebook and the Basel framework should be amended when it comes to recalibrating capital charges for senior securitisation tranches (both for banking and insurance) and when reassessing criteria under the Liquidity Coverage Ratio (LCR).

It would also be important for the next Commission to facilitate disclosure and due diligence requirements, both in the context of public and private securitisation and also third country securitisation to ensure a more proportionate approach to disclosure requirements.

The traditional transatlantic nature of financial markets should therefore be considered as a sign of strength, and it should be protected regardless of the 2024 election outcomes on both sides. The private sector has a pivotal role to play in helping to achieve a normalization of the relationships, with the added value that non-EU firms bring to financial markets by increasing diversification in case of economic disruption affecting the EU.

By their nature, banking and financial markets increase their resilience and quality through the strength and breadth of their network. Recent geopolitical events and banking turmoil have shown how more diversified sources of financing in the EU and relatively less dependence on bank funding increased resilience, and allowed the EU to effectively address any financial instability concerns.

We know this is not an impossible task. The EU has proven the benefits of a deeply integrated single market for goods, and a similar process should follow in the single market for services, particularly financial services. CMU and Banking Union are the fundamental drivers that will allow a significant increase of financial resilience in the EU. The next Commission will be a great opportunity to continue the work, balancing the open strategic autonomy while increasing EU's financial resilience and allowing for cross-border market financing.





## ODILE RENAUD-BASSO

President - European Bank  
for Reconstruction and  
Development (EBRD)

### Capital market development – A work in progress, not an overnight sensation

Creating more developed capital markets in Europe is a long-term project and a priority of the European Bank for Reconstruction and Development (EBRD) with the worthy goals of increasing the financial wellbeing and security of the continent's millions of citizens, providing better finance innovation and delivering the transition to net zero. Diversity of financing sources supports economic resilience and can result in a quicker recovery from downturns.

And yet Europe clearly lags behind markets in the United States and Asia in terms of capital market development. In the last 15 years, the weight of the European capital market to global capital markets has almost halved (from 18 per cent in 2006 to 10 per cent in 2022). The same trend is also seen in the venture capital and private equity segments, where the lack of a sizeable pool of capital available for early-stage investments means that Europe cannot support and scale up its financing of innovative growth companies.

Strong reliance on bank lending and bank instruments is still a cultural issue in Europe. Companies raise 80 per cent of their financing through bank lending, compared to capital market instruments, whilst one third of European savers' assets are in bank deposits. To address this structural imbalance there is a clear need for a more defined comprehensive long-term strategy.

Through capital markets union (CMU) action plans and regulatory alignment, the European Union has generally made the capital markets more accessible for small, mid-size and larger companies. However, more active support is needed with financial incentives (tax regimes) on both the supply and the demand sides, mobilising new investments through collective schemes and direct retail participation, as well as programs of education for both companies and investors.

Insufficient long-term capital is also a critical issue. The average size of pension assets to GDP in Europe is 32 per cent while in the US it is 173 per cent. This average is further distorted by the concentration of 62 per cent of all EU pension assets in only three countries (The Netherlands, Denmark and Sweden). Systemic development of funded pension systems in the EU countries is a prerequisite for capital market development.

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**The consolidation of  
the Baltic market,  
supported by the  
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a template for CMU.**

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Market fragmentation remains an obvious barrier in Europe, where there are 22 stock exchange groups operating in 35 listing venues, 41 stock exchanges for trading and nearly 18 Central Clearing Counterparties (CCP) and 22 the Clearing Settlement and Depositories (CSD) (2021 figures). Creating a bigger liquidity pool increases the chances of a successful share placement – liquidity attracts liquidity.

The fragmentation of trading venues is relatively easy to address with technical connectivity solutions. The real problem lies in the post-trading architecture where the interoperability of CCPs and linking up of the CSDs makes cross-border trading costs prohibitive, especially in those jurisdictions that are out of the eurozone and using local currencies. It is no surprise that

the US market has one single CCP and CSD but multiple trading venues. The competition of the trading venues means competitive trade pricing, while the centralised post-trading services create efficiencies from economies of scale in terms of processing volumes.

The optimal outcome of CMU is unlikely to be one single pan-European stock exchange but a strong network of the connected local ecosystems that also encourage cross-border investments and reduce the fragmentation of market liquidity.

The consolidation of the Baltic market, supported by the EBRD, might provide a template for CMU, following the decision of MSCI (Morgan Stanley Capital International) to classify the markets of Lithuania, Latvia and Estonia under a single index in 2023. This decision required much more than evidence of a single CSD and interconnected trading venues. As well as the support of market participants and operators, it also demonstrated the value of strong cooperation between the Governments to better align taxation, market regulation, and green taxonomy that was integral to the success of this initiative.

One of the EBRD's key priorities continues to be to support capital market consolidation and interlink markets. The Bank has supported the consolidation of smaller exchanges in the region and the creation of the SEE Link (the innovative platform linking Bulgarian, Croatian and Macedonian exchanges), and we continue to work with all the Central European markets to create a single marketplace in central and southeastern Europe.